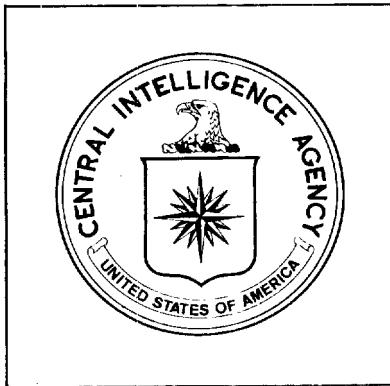


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WESTERN EUROPE – CANADA – INTERNATIONAL ORGANIZATIONS

This publication is prepared for regional specialists in the Washington community by the Western Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

CONTENTS

Effort To Form New Turkish Government Continue	1
Trudeau's European Trip Criticized	3
Italy's Governing Parties Compromise on Law-and-Order Measures	5
French General Confederation of Labor May Have Received Setback in Bid for ETUC Membership	7
25X6	9
Strike at Renault the Result of Rivalry Between Communists and Socialists	11

March 18, 1975

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Effort To Form New Turkish Government Continue

President Koruturk is sounding out Turkish political leaders and considering several options in his continuing effort to break the six-month-old political deadlock.

In the maneuvering to organize a government with majority support in parliament, the formula that has received most attention in Ankara in recent days is a government composed of the small right-of-center Democratic Party plus several independents. Such a government would be headed by an independent, probably the acting prime minister Sadi Irmak, and supported in parliament by Bulent Ecevit's Republican People's Party.

Ecevit himself has also been mentioned as a possible formateur, although he has failed to achieve the necessary majority in two previous efforts. The President is apparently concentrating on finding some way to create a government supported by the Democratic Party and Ecevit as the only alternative to Suleyman Demirel's National Front, a coalition of four rightist parties.

Both the President and the military remain strongly opposed to Demirel and his front, primarily because it included two rightist groups they consider totally irresponsible.

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March 18, 1975

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Trudeau's European Trip Criticized

Prime Minister Trudeau has returned from his lengthy tour of West European capitals with little to show in terms of practical results for Canada. On the domestic front, his government is on the defensive because of growing labor unrest, inflationary wage settlements and charges of corruption touching his own Liberal Party.

During his leisurely seventeen-day tour of Western Europe, the Prime Minister emphasized Canada's desire to counterbalance its overwhelming dependence on the US with a "contractual" relationship with the European Community. In The Hague, Bonn, Rome, London and Dublin, Trudeau found polite listeners but no firm commitments. The Europeans apparently are still waiting for the Canadians to define precisely what they desire in their so-called "contractual" relationship.

For its part, the EC is considering three alternative approaches to the Canadian request: a strictly commercial agreement, an agreement establishing the framework for industrial cooperation, or postponement of negotiations with Canada until the current multilateral trade negotiations in Geneva are concluded.

An obstacle to an agreement with the EC is Canada's desire to become an exporter of finished products rather than being primarily a supplier of raw materials. The EC countries, on the other hand, are anxious to tap the vast mineral and timber resources of Canada, in return for which they hope to expand markets for their finished products.

March 18, 1975

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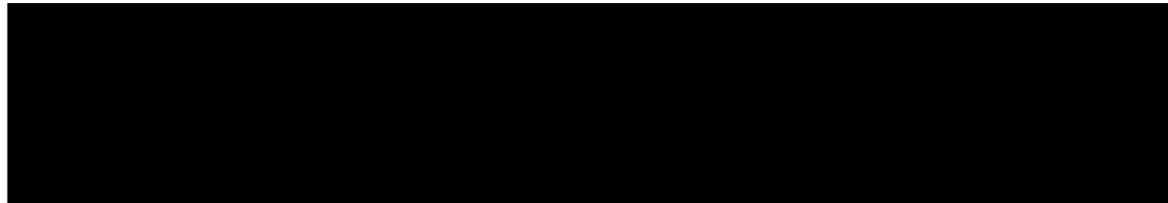
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The other major goal of Trudeau's trip was to urge Bonn, The Hague and Rome to proceed with the prompt ratification of the non-proliferation treaty. Ottawa is anxious to provide these markets with the Canadian-produced CANDU nuclear reactors. After India's use of material from a Canadian-supplied reactor to explode a nuclear device last year, Canada has insisted that no nuclear deals will be made with any nation which has not ratified the non-proliferation treaty and agreed to additional bilateral safeguards arrangements.

Italian officials assured Trudeau that their ratification of the treaty was progressing rapidly and would soon be presented to parliament. Bonn and The Hague indicated they were only waiting for the Italians to ratify the treaty before concluding their own ratification process.

Although Trudeau told the Canadians before he left on his trip that he did not expect to reach any firm agreements, he is being criticized by the press and the parliament for his failure to return with more concrete results. The sharpest barbs have been reserved for his extended stay in Europe--including skiing holidays--at a time when Canada's domestic troubles have mounted.

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March 18, 1975

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Phone: 143-5135Italy's Governing Parties Compromise on
Law-and-Order Measures

Italy's governing parties reached a compromise earlier this week on how to deal with increasing crime and political violence. Some of the most contentious issues were not resolved, however, and may surface again.

The four parties--Christian Democrats, Socialists, Social Democrats, and Republicans--agreed to enact legislation that would:

- restrict the use of "provisional liberty" under which alleged offenders may be released pending trial;
- improve police pay and working conditions.

These decisions should ease some of the discontent recently evident in police ranks. Under present regulations, a new recruit in the 80,000-strong public security forces is paid one of the lowest salaries in Italy--about \$150 per month.

The police will also welcome the restricted use of "provisional liberty", but they want the government to go further. In particular, they want to lift the regulation that allows them to use their weapons only when fired upon. Some elements of the police are also demanding the right to unionize.

The latter issues were bitterly contested within the government and party leaders apparently agreed to put them aside for the time being. The Socialists had been pushing hard for the right of the police to organize unions, but the other three parties were opposed. A Social Democratic proposal

March 18, 1975

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to give the police the right to detain suspects not charged with a specific crime also was shelved because of opposition by the Socialists.

Christian Democratic leader Fanfani reportedly hinted prior to the meeting that he would push for early parliamentary elections if no agreement was reached on the law-and-order issue. This may have encouraged the Socialists, in particular, to take a moderate line, because they fear they would not do as well in a parliamentary race as they expect to do in the nationwide local elections set for this spring. The local contests would be postponed if parliamentary elections were called now.

The agreement may make law-and-order a less divisive issue within the government. The dispute could heat up again, however, as the local elections draw near, especially if crime continues to mount. In any event, the Socialists will assert that the proposals of the other parties are aimed at the symptoms rather than the causes of the problem, and they claim that the rise in crime is due primarily to the failure to enact Socialist-sponsored social and economic legislation. (Confidential)

March 18, 1975

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French General Confederation of Labor May
Have Received Setback in Bid for ETUC
Membership

France's Communist-dominated General Confederation of Labor (CGT) may have damaged its own efforts to gain membership in the European Trade Union Confederation (ETUC) by recently echoing Soviet protests against the location of the new EC vocational training center in West Berlin.

Opponents of CGT membership--most notably the West German Trade Union Federation, the French Force Ouvriere, and the Belgian Christian Confederation--have long argued that the CGT is subservient to the Soviet Union. As a result, they claim, the French confederation is not an independent trade union organization and, therefore, is not eligible to join the ETUC.

ETUC secretariat officials view the unexpected CGT outburst as clear confirmation that the French confederation is a cat's paw of Moscow. ETUC President Vetter and General Secretary Rasschaert, both outspoken opponents of CGT membership, reportedly are now confident that the CGT application will be shelved for an indefinite period. Rasschaert claims that Georges Debumne of the Belgian General Federation of Labor has now deserted the CGT's cause leaving only the British Trade Unions Congress and certain Scandinavian unions--a distinct minority--to support the French organization in the ETUC executive committee. Vetter and Rasschaert are still bound by the ETUC executive committee's instructions to hold talks with the CGT before April 25, but they are convinced that the CGT's "tactical blunder" will make the talks meaningless.

March 18, 1975

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The CGT also continues to retain full membership in the Communist-controlled World Confederation of Trade Unions--another major stumbling block in its bid for membership in the ETUC. (Confidential)

March 18, 1975

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Strike at Renault the Result of Rivalry Between
Communists and Socialists

Automobile production has been interrupted at the Renault plants for more than a month as a result of sporadic strikes by key workers. The tactic has been particularly effective at the Le Mans facility, which manufactures parts used at other plants. The company reports that output at Le Mans is down 65 percent and has caused a production loss of 20,000 vehicles.

The trouble began last month when about 350 workers struck, demanding job reclassifications that would increase their pay. The Renault management laid off 4,000 workers, but also agreed to the reclassification. In an effort to forestall additional strikes, Renault also granted a special pay premium to its workers as an advance to any wage adjustments from reclassification negotiations that were set to open on March 18.

Scattered strikes have continued, however, and management has now ordered reductions in some work schedules and threatened to close down entire plants. In addition, 17 workers may be fired for "illegal attempts to interfere with the right to work" of their colleagues. The workers have levied additional wage demands: payment for all hours lost through reduced work schedules and a \$55 monthly wage increase for all 100,000 Renault employees.

The company, which has not been seriously hurt by the troubles that have affected the rest of the automobile industry, is in a good position to withstand the strike. The government is also showing little concern.

March 18, 1975

The most interesting aspect of the situation is that it was fomented not by the Communist-dominated General Confederation of Labor or any other union, but by the French Communist Party acting through its Renault cell. From the beginning of the strikes the unions have reacted with ill-concealed apprehension and, in private talks with management and reporters, union representatives have recognized the bad timing of the action. The unions have tried to bring the workers under control, but the party apparently is not ready to call it quits. The strike action has also been fed by radical workers not under union or party discipline.

The origin and prolongation of the strike were primarily the result of rivalry between the French Communist and Socialist parties. Since last fall, when the Communists embarked on their critique of the Socialists, the French Communist Party has become almost compulsive in its search for ways to reassert its authority as the sole French revolutionary and worker party. In the Renault case, it is even willing to bypass the union it dominates to interfere directly in worker affairs.

The party chose Renault because it is known as a Communist bastion and because its strength in weathering the problems facing the world's auto industry lends credibility to the party's contention that the company can meet workers' demands. In addition to strengthening itself vis-a-vis the Socialists, the PCF also wants to undermine the government's anti-inflation austerity program by showing that if companies like Renault can pay up there is no real need for austerity and that the government's program is really designed to help the rich.

Both the Renault management and the government seem to be proceeding on the

March 18, 1975

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theory that the Communists and the unions will not be able to rally workers to support a wider strike and that in the end the austerity program is likely to be strengthened. The government probably also expects the strike to wind down gradually, as did the postal strike last last year, and to deliver again the message that wage and benefit concessions will not come easily in the near future.
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March 18, 1975

-13-

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